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Grand jury probe of Broward schools appears focused on construction

Panel on public corruption has been at work for nearly a year

By Megan O'Matz, Sun Sentinel

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A statewide grand jury on public corruption has been investigating the Broward School District for nearly a year under a customary veil of secrecy. But some details have emerged that indicate it is honing in on the district's massive construction spending program.

Records show the 18-member panel is also looking at whether the district improperly opened new schools without meeting all safety codes.

"Many of my staff, including me, has been to see the grand jury," said Tom Linder, the district's school construction chief. Lindner took the job about a year ago; the grand jury was selected in February.

Lindner's predecessor, Michael Garretson, who has since died, "was called to testify four times," Lindner said. Others who have testified include Irene Kuziw, a secretary in the Building Department, Thomas Keane, a building inspector, and Rick Ragland, former executive director of facilities project management.

Gov. Charlie Crist asked the state Supreme Court to establish the grand jury after a spate of arrests of public officials, including former Broward School Board member Beverly Gallagher, who is now serving three years in prison for taking bribes from undercover FBI agents to rig school construction contracts.

Former School Board member Stephanie Kraft also is facing bribery charges for allegedly taking money to help a developer win a \$500,000 discount on a school impact fee. She has pleaded not guilty.

In a recent interview, Kraft said she has not been called before the grand jury but "would love to testify about construction."

"I have lots I could say," she said in an email to the Sun Sentinel. "I told the FBI of some of my concerns in my interview last year and no one followed up."

School district auditors in recent years have alleged sweeping problems in the construction department, including overpayments to contractors, unauthorized work and improper bidding. The district currently has a \$1.34 billion capital budget, down sharply from previous years because its aggressive building program coincided with a drop in enrollment, leading to tens of thousands of empty seats.

The grand jury is impaneled for one year but its term can be extended another six months. The proceedings are secret to prevent the release of unfounded allegations, to shield witnesses from tampering, and to encourage frank and candid information.

The jury is tasked with examining a list of potential crimes involving public agencies and officials statewide, including bribery, extortion, unlawful compensation for official behavior, official misconduct, falsifying records, and misuse of

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confidential information.

At the end of its work, the panel can issue indictments, or present a report outlining serious missteps and recommending improvements.

Grand juries released reports dealing with Broward schools in 2003 and 1997, both times focusing on shoddy construction that led to mold and mildew problems. The district has since corrected many of the air quality issues.

But some issues brought out in those reports appear to be under scrutiny again, including the influence of lobbyists on the awarding of construction contracts. Another reoccurring problem under review: allowing children and teachers to occupy buildings before they are completed.

While the current grand jury, led by West Palm Beach-based statewide prosecutor William N. Shepherd, is focusing on construction matters again, it is also casting a wide net.

For example, jurors heard testimony from Deputy Superintendent Leontine Butler, who oversees curriculum. And records show information analysts working for the jury have gathered data on average teacher and School Board salaries for multiple districts.

The 2003 grand jury sorted through voluminous documents and heard testimony from 78 witnesses, including parents, teachers, architects, engineers, contractors, school administrators, auditors, custodians and School Board members, according to that report. That jury met 17 times.

The state Attorney General's Office declined to say how frequently the current panel hears testimony at the 110 Tower on SE 6th Street in downtown Fort Lauderdale. Grand jurors are reimbursed \$35 for each day they serve, plus up to \$36 a day for meals if they must stay overnight.

Earlier this year, at the grand jury's request, the school district ordered staff in the construction and building departments to gather up memos, email and other records on any matter involving potential waste or fraud.

The resulting submissions involved such allegations as bogus change orders, defectively designed roofs, and contract awards to companies that were not the lowest bidder.

Several project managers submitted documents alleging the district overpaid for numerous construction projects, records show.

The concerns centered around the district's "Construction Management at Risk" method of having a committee of School Board members and staff review proposals and select contractors, rather than opening sealed bids based on price alone.

Detractors say committee members can be manipulated to pick politically connected, favored companies that then earn excessive fees.

Ragland, the Facilities Department project management director, told the Sun Sentinel: 'It was politics. When you hard bid a job the politicians don't have any say in who gets it....When you do Construction Management at Risk, they have selection committees and they have a say in who gets the job. Price doesn't mean anything.'

In tunneling for information, the grand jury is relying on help from the Florida Department of Law Enforcement, which acts as the jury's investigative arm.

"Our role continues to be to investigate crimes that are multi-jurisdictional, multi-victim, or large in scale and scope," said Heather Smith, FDLE spokeswoman.

Records show that Lisa Lang, an FDLE crime intelligence analyst, asked the district in August for a list of all temporary occupancy permits issued by the Broward schools during the last five years.

The permits enable children and staff to occupy newly built schools or renovated classrooms for up to 90 days while contractors complete final touches to fully comply with building code requirements dealing with plumbing, electrical and fire prevention systems.

Records show that in dozens of cases the work was not completed or inspected within the 90 days yet children and staff remained in the buildings, in some cases for years. Some of the violations were considered serious "life safety" problems.

FDLE, in its records request, asked for the circumstances of each permit, the number of days they were valid, and how long it took to complete the job.

A report comparing the handling of such matters by the top 10 Florida school districts will go to the jury, Lang wrote.

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